

STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
JULY 14, 2009

The State Property and Buildings Commission (SPBC or the Commission) was called to order on Tuesday, July 14, 2009 at 2:00 p.m. in Room 182 of the Capitol Annex by Lori Flanery, Deputy Secretary, Finance and Administration Cabinet as proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet. Other members present were Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Katie Smith, proxy for Larry Hayes, Interim Secretary, Cabinet for Economic Development, Bonnie Howell, proxy for Attorney General, Jack Conway, and Bill Burger, proxy for Lt. Governor Mongiardo.

OFM Staff Members Present: Mr. Tom Howard, Executive Director and Secretary to the Commission, Brett Antle, Deputy Executive Director, Rachael Putnam, Rob Ramsey, Tom Midkiff, and Marcia Adams.

Other Guests Present: Kristi Culpepper, from the Legislative Research Commission (LRC) and Jodi Mitchell from McCarthy Strategic Solutions.

Deputy Secretary Flanery verified with staff that a quorum was present and that the press had been notified of the meeting.

A motion was made by Ms. Katie Smith and seconded by Ms. Bonnie Howell to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the June 15, 2009 meeting were approved as written.

Deputy Secretary Flanery recognized Ms. Katie Smith for her introduction of Resolutions **2009-14 to 2009-23**:

Ms. Katie Smith stated the 2008 General Assembly authorized \$50 million of Economic Development General Fund supported bond funds in H.B. 406 with the intent that the funds be used for projects associated with the Base Realignment and Closure (BRAC) efforts. The BRAC Task Force was established to insure that all issues and concerns are considered in the decision making process for issues related to BRAC. The ten (10) EDB projects presented today pertain to the EDB authorization for BRAC and were all approved by the Task Force at its January 21, 2009 meeting.

2009-14: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE CITY OF ELIZABETHTOWN FOR THE VALLEY CREEK WASTEWATER TREATMENT PLANT EXPANSION PROJECT (\$20,156,850).

The Resolution is to approve a \$20,156,850 grant to the City of Elizabethtown for the Valley Creek Wastewater Treatment Plant Expansion Project. This proposed project will expand the existing, publicly owned wastewater treatment facility from 7.2 million gallons/per day to 13 million gallons/per day to provide additional capacity to meet the growth from BRAC related demands and potential commercial and industrial growth.

2009-15: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY WATER DISTRICT TO COMPLETE THE

**RADCLIFF SEWER SYSTEM I AND I REHABILITATION/REMOVAL PROJECT
(\$1,500,000).**

The Resolution is to approve a \$1,500,000 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Water District to complete the Radcliff Sewer System I and I Rehabilitation/Removal Project. The proposed project will rehabilitate and replace approximately 400 manholes with cured-in-place manhole liners and 15,000 linear feet of various pipe sizes with cured-in-place pipe lining.

2009-16: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY WATER DISTRICT TO COMPLETE THE RADCLIFF PUMP STATION UPGRADES PROJECT (\$2,250,000).

The Resolution is to approve a \$2,250,000 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Water District to complete the Radcliff Pump Station Upgrades Project. The proposed project will upgrade approximately six lift stations with pumps, controls, handling capacity and new force mains.

2009-17: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY WATER DISTRICT TO COMPLETE THE PIRTLE SPRINGS WATER TREATMENT PLANT RECONSTRUCTION PROJECT (\$2,500,000).

The Resolution is to approve a \$2,500,000 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Water District to complete the Pirtle Springs Water Treatment Plant Reconstruction Project. The proposed project will renovate and rebuild the water treatment plant for much less than the cost of building a completely new plant.

2009-18: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY WATER DISTRICT TO COMPLETE THE SPRINGFIELD TANK PROJECT (\$2,000,000).

The Resolution is to approve a \$2,000,000 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Water District to complete the Springfield Tank Project. The proposed project will construct a new one million gallon elevated water storage tank.

2009-19: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY WATER DISTRICT TO COMPLETE THE PHASE V 31W LOOP CONNECTION PROJECT (\$1,458,000).

The Resolution is to approve a \$1,458,000 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Water District to complete the Phase V 31W Loop Connection Project. The proposed project will continue the construction of a 24-inch water main loop to connect the south end of the Elizabethtown loop, including the Glendale Industrial site.

2009-20: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY WATER DISTRICT TO COMPLETE THE SEWER COLLECTION SYSTEM PROJECT (\$9,601,420).

The Resolution is to approve a \$9,601,420 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Water District to complete the Sewer Collection System Project. The proposed project will construct additions to the sewer collection system to provide service to several high growth areas adjacent to Elizabethtown, including Rineyville, Glendale, Sonora and Upton.

2009-21: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE HARDIN COUNTY FISCAL COURT FOR THE BENEFIT OF THE HARDIN COUNTY BOARD OF EDUCATION (\$6,708,730).

The Resolution is to approve a \$6,708,730 grant to the Hardin County Fiscal Court for the benefit of the Hardin County Board of Education. The Hardin County School System will renovate a local middle school to improve the accommodations for students in addition to addressing the potential increase in students related to the BRAC efforts. As required by H.B. 406, the following transactions have occurred: first, the renovation project was identified in the local district facilities plan and approved by the Kentucky Department of Education. Second, the Commissioner of Education certified the projected increase in students as a result of the BRAC efforts. Third, the Hardin County Board of Education has approved an additional five-cent equivalent tax rate under the provisions of KRS 157.621 that is dedicated to facilities renovation and construction.

2009-22: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT

TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE CITY OF BRANDENBURG FOR THE BENEFIT OF THE MEADE COUNTY BOARD OF EDUCATION (\$1,550,000).

The Resolution is to approve a \$1,550,000 grant to the City of Brandenburg for the benefit of the Meade County Board of Education. The Meade County School System will construct a local primary school to improve the accommodations for students in addition to addressing the potential increase in students related to the BRAC efforts.

2009-23: A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE CITY OF MULDRAUGH FOR THE MULDRAUGH WASTEWATER COLLECTION SYSTEM REHABILITATION PROJECT (\$2,275,000).

The Resolution is to approve a \$2,275,000 grant to the City of Muldraugh for the Muldraugh Wastewater Collection System Rehabilitation Project. The rehabilitation project will address infiltration and inflow by the replacement of approximately 30,000 line feet of gravity collection lines, approximately 6,000 line feet of force main and repair/replace manholes.

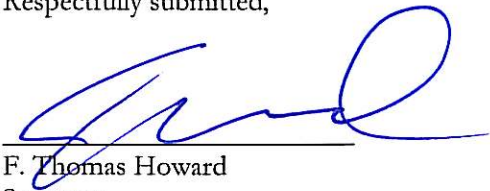
KEDFA approved all ten of the projects at their June 25, 2009 meeting, and the BRAC Task Force is requesting approval of these EDB Projects.

Deputy Secretary Flanery asked if there were any further questions or discussions. Mr. Bill Burger made a motion to approve Resolutions 2009-14 through 2009-23 as one body that was seconded by Mr. Ross. Motion **CARRIED** and Resolutions 2009-14 through 2009-23 were **ADOPTED**.

Deputy Secretary Flanery asked if there was any other new business for the Commission today. Mr. Tom Howard stated that Project No. 95 was closed on July 9, 2009 and all the authorized projects can move forward with spending. It is estimated that the first State Property and Buildings Commission Build America Bonds (BABs) issue saved us approximately 70 basis points in interest cost, which relates to about \$25 million over the term of the bonds. It was a very successful sale, and it accomplished the goals set forth by the Commission.

With no other business, the meeting stands adjourned.

Respectfully submitted,



F. Thomas Howard
Secretary